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2 JUL 1957

MEMORANDUM FOR: The Record

8-4276

SUBJECT: Senate Appropriations Committee Hearing on the FY/57 CIA Budget

DATE: 13 June 1956

MEMBERS PRESENT: Senators Hayden, Russell, Chavez, Saltonstall, and Bridges. No Staff present.

CIA REPRESENTATIVES: Mr. Dulles, General Cabell, Colonel White, Messrs. Saunders and Paul

1. This was a most informal session, arranged on very short notice by Chairman Hayden. The Committee Members were furnished with copies of the black book containing charts, tables, and other pertinent data on the budget. The Director did not have an opportunity to testify in great detail on the elements of the budget, although individual segments of it were picked up for specific discussion, usually at the request of individual senators.

2. Most of the session was devoted to questions and answers on matters which appeared to be of particular interest to the senators, many of which had no particular relation to the CIA budget. They may be summarized as follows:

a. Senator Chavez wanted to know why CIA had to submit its budget to the Bureau of the Budget. The Director explained that this was a normal and unobjectional procedure as far as CIA was concerned, and that the function of the Bureau was not to question the substance of Agency activities, but merely the funding requested to carry out major budget items.

b. Senator Hayden was interested in the Egyptian situation. The Director indicated that the performance of Nasser had been a disappointing one in recent months insofar as the United States was concerned, and that he was playing a dangerous game. There was some general discussion on the situation in France, Italy, Indochina and Indonesia. With respect to the

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c. Senator Bridges asked how accurate CIA information was on

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the Russian Air Force and on airplane production estimates. The Director indicated that the accuracy of our information varied with the certain types of aircraft. There was some discussion on production of the Bison bomber.

d. Senator Saltonstall asked if the Russians had the capacity now to use tanker aircraft for in-flight refueling purposes. The Director discussed a recent estimate on this subject.

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f. Senator Bridges was interested in the situation at Guatemala, and the Director indicated that this was a touchy one at the moment.

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h. Senator Russell was interested in the situation in Argentina and Algeria. He also stated again his opinion that the United States was spending too much money in certain small countries in Southeast Asia, ~~which is necessary as useful for us to~~

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i. There was some discussion of the CIA building. The Director pointed out the need for an additional authorization, emphasizing that even though such authorization was not available during this Congress, he strongly felt we should have sufficient appropriations to get on with the actual construction of the project. There was no particular comment by the senators on this problem.

j. As to numbers of personnel, Senator Russell stated that if we could reduce our personnel figures by a few hundred it would do the Agency a lot of good in terms of future relations with the Congress. The Director stated that he would do his best to reduce wherever possible, but he added that this was a very difficult proposition in the face of new assignments which the Agency was constantly receiving.

3. The meeting lasted a total of 1 hour and 15 minutes. There was no indication of any desire for a further hearing on the budget, nor of any desire on any member's part to recommend less than the full amount requested by the CIA.

/S/

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cc: Mr. Robert M. Macy
Chief, International Division
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